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Steel Supply Not

To Be Increased

War Requirements During

Balance of Year Will
Not Diminish

Washington has given no sign that
ordinary consumers of steel will get
larger allowances under the War
Board's latest statement, says "The
Iron Age." Later checking of figures
furnished by the government and its
allies is said to narrow the margin
between the probable output in the
second half of the year and the requirements
for war. Leading steel manufacturers
view the situation with less concern.
They are less confident of that now.

Actual precedence under the new
classification of orders is not far from
what has been followed. Some producers
are even more exacting than
before, now that they are asked by the
government to decide as to precedence
in shipment.

The meeting of the steel producers' committee and the Director of Steel
Supply in New York Monday brought
no conclusion as to steel rail and other
pending prices. Only 100,000 tons additional
of rails are wanted for this year,
and the railroad administration wants
the price fixed chiefly in view of
large purposes to be made for 1919.
The stand taken for a \$42 price for
Bessemer rails is in the face of an
average cost of \$50 or more and the
contention of one producer that it
should have \$60 for Bessemer and \$65
for open hearth rails.

A possible solution of the rail controversy is the payment of different
prices to different mills in view of
widely differing costs. This might be
worked, seeing that the government
will take nearly all the output.
It now appears certain that the open
hearth steel output of the country will
be practically taken up by war and essential
needs for the remainder of the year
and that whatever permits are
given for general or Class D purposes
must be filled almost entirely with Bessemer steel.

The plate mills keep on producing at
a yearly rate of 6,000,000 tons, a recent
week showing 114,000 tons, while
new capacity may bring the rate up to
7,000,000 tons a year by January.

The possibility of a return of some
non-war selling of iron and steel is
being discussed pointedly, says "The
Iron Trade Review." While tangible
developments are few, the trend of
speculations appears to be towards a
situation of more liberal distribution. This
given for general or Class D purposes
revived talk has been due in part to
the open authority recently given the
mills by the steel director to ship
small lots to any buyer without permit.
It also is caused by growing convictions
in some quarters that essential
demands now in sight can be met by
the mills as needed, and that there
may be some to spare.

Finance - Economics

WALL STREET OFFICE:
Mills Building, 15 Broad St.

Organization of the United States
Council of State Banking Associations
is probably the most important
development in the banking field
since the Federal Reserve System
was established. Through this body
the interests and policies of more
than 20,000 banking institutions,
with resources exceeding by \$4,
000,000,000 those of all the na-
tional banks, will be coordinated.
Primarily, the object of forming the
council was to conserve and protect
"those local privileges and interests
which have been developed and be-
come inherent in state financial in-
stitutions"—in other words, to op-
pose such legislation as the Phelan
bill, now before Congress, under
which, as passed by the House, trust
powers would have been conferred
upon national banks throughout the
country, state laws to the contrary
notwithstanding. In the council the
state institutions have created what
undoubtedly will prove to be a pow-
erful and effective agency for com-
bating such legislation and for resist-
ing pressure applied in other ways
to force them into the reserve sys-
tem. But, beyond that, it is not im-
possible that the council, working
in harmony with the Reserve Board,
as it apparently wants to do, will
eventually bring about much closer
cooperation between state and na-
tional banks, thus strengthening our
whole banking system against the
great tasks which it must perform
as the war goes on, and later when
the inevitable period of world-wide
financial and economic readjust-
ment comes.

The ease with which the \$50,000-
000 of Bethlehem Steel notes were
sold was surprising even to bankers
who are in the closest touch with
investment conditions and ordinarily
can gauge the demand for invest-
ment securities to a nicety. The
fact that the bankers insisted that
the War Finance Corporation under-
write 40 per cent of the issue
makes it sufficiently plain that they
were none too confident of a favor-
able reception for the notes, despite
the attractive terms upon which
they were offered to investors. And
there was apparently good reason
for their conservatism. The coun-
try had just finished paying taxes
running into billions of dollars,
while payments on the third Lib-
erty Loan had not been completed.
It was therefore seemingly a bad
time for a corporation to appeal to
the investment market for a large
amount of money. But, as it turned
out, the underwriters did not have
to take a single dollar's worth of the
notes, and had, indeed, a demand
for more than was offered. The
transaction furnished a fair test of
the market and supplied evidence of
the enormous investment power of
the country. It would not be sur-
prising if the success of the Bethle-
hem issue should lead many other
corporations to venture into the
market for new capital.

Money and Credit

Because of the heavy government de-
mands money rates were firmly main-
tained again yesterday. At the
Stock Exchange call money ruled at 6
to 6 1/2 per cent throughout the day.
There was no change in the market
for fixed date funds. Borrowers are
bidding 6 per cent for loans maturing
within thirty days as well as for the
longer dates.

The president of one of the large
Wall Street banks expressed the opin-
ion yesterday that there will be a con-
tinuance of tight money for some time
to come. He felt confident, however,
that the situation in the money market
would be handled with a minimum of
difficulty.

Ruling rates for money yesterday,
compared with a year ago, were as
follows:

Call money	Yesterday	Year ago
On mixed collateral	6	6
On industrial col'l	6 1/2	6 1/2
Time money (mixed collateral):		
Sixty days	5 3/4 @ 6	4 1/2
Ninety days	5 3/4 @ 6	4 1/2 @ 4 3/4
Four months	5 3/4 @ 6	4 1/2 @ 4 3/4
Five to six months	5 3/4 @ 6	4 3/4 @ 5

Commercial Paper.—This market
continues dull, with only a small
volume of business moving. Rates yester-
day were unchanged at 6 per cent
for the best regular maturities.

Bank Acceptances.—The demand for
bank acceptances has slackened some-
what with the tightening of the general
money situation. Rates yesterday were
as follows:

Spot de- liverable	Thirty days	Sixty days	Ninety days
Eligible	4 1/4 @ 4 1/2	4 1/4 @ 4 1/2	4 1/4 @ 4 1/2
Non-eligible	4 1/4 @ 4 1/2	4 1/4 @ 4 1/2	4 1/4 @ 4 1/2
Eligible	4 1/4 @ 4 1/2	4 1/4 @ 4 1/2	4 1/4 @ 4 1/2
Non-eligible	4 1/4 @ 4 1/2	4 1/4 @ 4 1/2	4 1/4 @ 4 1/2

Eligible member banks 4 1/4
Eligible non-member banks 4 1/2
Ineligible bank bills 6

Discount Rates.—The following table
gives the current rates of the twelve

Federal Reserve banks on commercial
paper on all periods up to ninety days:

Bank	Rate	Bank	Rate
Poston	4	43 1/2	43 1/2
New York	4	43 1/2	43 1/2
Philadelphia	4	43 1/2	43 1/2
Richmond	4 1/4	43 1/2	43 1/2
Cincinnati	4 1/4	43 1/2	43 1/2
St. Louis	4 1/4	43 1/2	43 1/2
Chicago	4 1/4	43 1/2	43 1/2
Minneapolis	4 1/4	43 1/2	43 1/2
Kansas City	4 1/2	43 1/2	43 1/2
Dallas	4 1/2	43 1/2	43 1/2
San Francisco	4	43 1/2	43 1/2

Silver.—Bar silver in London was
48 1/4, unchanged; New York, 99 1/2,
unchanged; Mexican dollars, 77c, un-
changed.

Sub-Treasury.—The Sub-Treasury
lost \$2,229,326 to the banks yesterday.

Bank Clearings.—Bank clearings in
New York and the other principal cities
yesterday were as follows:

City	Amount	City	Amount
New York	\$718,083,674	Baltimore	\$5,311,831
Chicago	\$2,851,502	Philadelphia	\$17,275,200
Boston	\$3,606,202	San Francisco	\$18,911,104
Philadelphia	\$3,606,202		

London Money Market.—LONDON,
July 17.—Money was steady at 2 1/4
per cent. Discount rates were: Short bills
and three-month bills, 3 1/2-3 3/4 per cent.
Gold premiums at Lisbon remained
130.

The Dollar in Foreign Exchange
The foreign exchange market was
again extremely quiet yesterday. There
were no wide fluctuations in quotations.
Swiss exchange was slightly firmer
than on Tuesday. Rates on London
and Paris remained steady.

Closing rates yesterday, compared
with a week ago, follow:

Quoted dollars to the pound.	Yesterday	Week ago
Sterling, demand	\$4.7535	\$4.7530
Sterling, sixty days	4.7254	4.7254
Sterling, cables	4.76 1/2	4.76 1/2
Sterling, ninety days	4.71 1/2	4.72 1/2

(Quoted units to the dollar.)
Francs, checks 5.71 1/2
Francs, cables 5.69 1/2
Lire, checks 8.80 1/2
Lire, cables 8.79 1/2
Swiss, checks 3.96
Swiss, cables 3.93 1/2

(Quoted cents to the unit.)
Guillemers, checks 51 1/2
Guillemers, cables 51 1/2
Rubles, cables 13.00
Spain, cables 27.50
Sweden, checks 35.50
Sweden, cables 35.50
Denmark, checks 31.05
Denmark, cables 31.05
Norway, checks 31.50
Norway, cables 31.50
Argentina, checks 44 1/2
Argentina, cables 44 1/2
India, rupees, cables 37.85
India, rupees, cables 37.85
Reserve Bank rate 35.73

Below is given the current exchange
value of foreign money in dollars and
cents, together with the intrinsic gold
value, as calculated by the United
States Mint:

Pounds, sterling	Current exchange value	Intrinsic value
Francs	5.71 1/2	\$4.80 1/2
Guillemers	51 1/2	4.02
Rubles	13.00	0.125
Lire, checks	8.80 1/2	0.13
Crowns (Denmark)	0.3105	0.268
Crowns (Sweden)	0.3570	0.268

The above rates express the cost of
foreign money in terms of the Ameri-
can dollar. You buy an English pound
sterling at, say, \$4.75 1/2. The intrinsic
parity is \$4.80 1/2 per pound. Thus you
say either that the pound is at a dis-
count or that dollars are at a premium,
which is owing to the fact that at En-
gland the demand for dollars with which
to pay for goods in this country is
greater than the demand in this coun-
try for pounds with which to settle ac-
counts in England.

Norway to Develop
More Water Power
Exploitation of Famous Falls
Will Be on Large
Scale

If Norway has been somewhat slow,
as far as the state is concerned, in tak-
ing up the exploitation of its water
power, the first movement that is being
made in that direction is a very im-
portant one, and the installation will
be one of the largest in Europe, says
"The London Times." It is in connection
with the oft-discussed Norve-
gian plan, which, according to the plan now pre-
pared by the water-power director,
are calculated to yield some 320,000
horsepower at the generators.

The origin of the plan is the combi-
nation of rivers and lakes which some-
times yield a large capacity in the Hei-
santjenn, connected with the Lake
Nordmannslagen, about 1,200 met-
ers above the level of the sea. In order
to obtain the desired storage
some nine lakes will require to be
dammed and regulated, forming reser-
voirs of a capacity varying from 32,
000,000 to 356,000,000 cubic met-
ers. The aggregate storage will amount to
1,040,000,000 met-ers.

The earlier plan for the exploitation
of the Norve- falls, which were pur-
sued for some ten years, has been aban-
doned, and in selecting the final plan two alterna-
tives were considered, both including
an upper and a lower power station.
The Rødberg alternative has been
chosen as possessing the greatest ad-
vantages. According to it, the upper
power station is placed at Rødberg, on
the Opdal River, and the lower at
Vrenne, on the Norvefjord, at the latter
of which the Opdal River and the Hal-
land Falls, which belong to the state,
will be utilized. The river Rørpe and
the lake Oken have been reckoned
with as possible auxiliaries.

The cost of the upper power station,
when the full capacity is installed, is
calculated at \$3,580,000 kroner (or \$2,
000,000 at normal rate of exchange),
and that of the lower station at \$4,994,
000 kroner (\$4,000,000).

Twenty Thousand Banks Back of National Council

W. H. Booth Heads Organi-
zation of State Bank
Associations

More than twenty thousand banking
institutions operating under state chart-
ers with aggregate resources of \$22,
275,104,143 are welded into an organi-
zation for mutual protection against
adverse legislation and for the pur-
pose of obtaining legislation to per-
fect state banking systems by the
formation of the United States Council
of State Banking Associations.

Many of the details of the inner or-
ganization of the council remain to be
worked out, according to the New York
bankers who returned yesterday from
the St. Louis meeting, but the outline
of the association and its scope has
already been formulated.

According to the articles of associa-
tion "the objects of this organization
shall be to promote the general effi-
ciency and welfare of the American
banking system, to obtain cooperation
between states and with the national
government in securing sound, uniform
and constructive legislation, both state
and national, and to bring about a gen-
eral strengthening of the banking,
financial and general economic condi-
tions of the nation."

Will Have Offices Here
W. H. Booth, vice-president of the
Security Trust and Savings Bank, of
Los Angeles, heads the new council.
Mr. Booth will come to New York
shortly to consult with local bankers
regarding the organization and offices
are to be opened here. The other of-
ficers are: William MacFarran, presi-
dent of the State Savings Bank of
Topeka, Kan., vice-president; George
W. Rogers, vice-president of the Bank
of Commerce of Little Rock, Ark., vice-
president; F. H. Sisson, vice-president
of the Guaranty Trust Company of
New York, and William B. Boulton, of
Morristown, N. J., treasurer.

The executive committee, comprising
one member from each of the twelve
Federal Reserve districts of the United
States, has been chosen as follows:
First District, Albert O. Brown, Man-
chester, N. H.; Second District, Charles
H. Sabin, president Guaranty Trust
Company of New York; Third District,
George H. Earle, Jr., president Finance
Company of Philadelphia, Penn.;
Fourth District, Malcolm McGiffin,
president Fidelity Title and Trust
Company, Pittsburgh; Fifth District,
Emory L. Coblenz, president Central
Trust Company, Frederick, Md.; Sixth
District, Forrest Lake, president Semi-
ole County Bank, Sanford, Fla.; Sev-
enth District, H. A. Moehlmann, Cin-
cinnati, Wis.; Eighth District, Charles C.
McClain, vice-president and attorney
Bankers' Trust Company, Little Rock,
Ark.; Ninth District, George G. John-
son, vice-president First and People's
State Bank, Thief River Falls, Minn.;
Tenth District, Charles L. Engle, presi-
dent Commercial Bank, El Reno, Okla.;
Eleventh District, Travis Oliver, vice-
president Central Savings Bank and
Trust Company, Monroe, La.; Twelfth
District, John S. Drum, president Sav-
ings Union Bank and Trust Company,
San Francisco.

Functions of New Body
The scope of the new council is in-
dicated in the following resolutions
which were adopted by the representa-
tives of the state banking associations
of thirty-three states present at the St.
Louis meeting:

"Whereas, The extraordinary condi-
tions through which the world is now
passing has developed new problems
and greater responsibilities which
must be met and solved by the bankers
of the United States, and fully realizing
the efficacy of the nation can best
be served by the fullest extension of
resources and in extending our com-
merce; therefore, be it

"Resolved, By the representatives of
state banks, trust companies and
private banks in association assembled
in the City of St. Louis, Mo., on
July 15, 1918, as follows:

"First.—That we approve the call for
the supervisors of state banks and trust
companies.

"Second.—That we recommend that
state banks, trust companies and pri-
vate banks, savings banks, located in
the several states form a state organi-
zation for the purpose of conserving
and protecting those local privileges
and interests which have been devel-
oped and become inherent in state
financial institutions; and for the fur-

ther purpose of securing such legisla-
tion as may be necessary to perfect
the state banking systems.

"Third.—We recommend that such
state bank sections of organizations
cooperate with existing state bank or-
ganizations in so far as their interests
do not conflict.

"Fourth.—It is not the purpose of
this association to oppose or in any
way antagonize the Federal Reserve
system as at present constituted, but
it is our desire to aid and assist the
Federal Reserve Board in every way
possible for the promotion of safe and
sound banking.

"Fifth.—That this council cooperate
with the American Bankers' Associa-
tion and the bankers' associations of
the several states in all matters af-
fecting banking interests, and it is not
our purpose to withdraw in any way
support from either of said associa-
tions.

"Sixth.—That we renew and rededicate
our allegiance to Woodrow Wilson, the
commander in chief of our army and
navy. We pledge 'all that we are and
all that we have' to a victorious ter-
mination of the great conflict between
medieval autocracy and the free people
of the world. In our organization, in
capacity we stand ready to respond in
the future as state banks have re-
sponded in the past to every call made
by the world, in our organization, in
support or financial aid.

"Seventh.—That the secretary of this
association be and he is directed to
forward a copy of these resolutions to
the President of the United States and
to the Secretary of the Treasury; also
a copy to the president of the American
Bankers' Association and to the presi-
dents of the several state banking as-
sociations and to the chairman of the
Federal Reserve Board."

Resources of \$22,275,104,143
In its perfected form the new coun-
cil is expected to represent 20,423 state
banks, trust companies and savings
banks in the United States in states
where there are no associations of state
banking institutions such organizations
will be formed to have representation
in the national body. With such in-
stitutions operating under state charter
represented in the council the total re-
sources will aggregate \$22,275,104,143,
comprised of total resources of \$18,
249,000,000 of national banks on May
10 last. The number of state banks,
trust companies and savings banks in
the United States by states and their
total resources follow:

State	No. insti- tutions	Resources.
Alabama	238	\$93,408,561
Arizona	59	50,085,341
Arkansas	390	134,103,138
California	430	1,007,830,239
Colorado	232	94,733,026
Connecticut	146	53,441,613
Delaware	27	56,091,050
Florida	197	64,758,025
Georgia	629	249,893,167
Idaho	135	45,476,113
Illinois	843	1,267,687,741
Indiana	775	398,377,860
Iowa	1301	596,592,633
Kansas	1037	279,239,190
Kentucky	447	186,100,499
Louisiana	247	118,631,490
Maine	95	207,125,232
Maryland	173	311,308,169
Massachusetts	482	2,017,752,876
Michigan	524	683,556,876
Minnesota	1,146	373,956,192
Mississippi	288	126,373,538
Missouri	1,400	722,489,335
Montana	274	100,959,566
Nebraska	929	282,966,807
Nevada	23	21,815,428
New Hampshire	70	140,238,727
New Jersey	168	638,098,695
New Mexico	70	19,997,582
New York	451	6,150,740,000
North Carolina	460	157,036,659
North Dakota	701	115,662,356
Ohio	779	988,214,185
Oklahoma	569	145,981,699
Oregon	177	91,881,662
Pennsylvania	552	1,707,169,829
Rhode Island	31	277,905,909
South Carolina	335	117,289,148
South Dakota	518	148,458,674
Tennessee	413	169,816,251
Texas	878	239,945,523
Utah	102	80,918,984
Vermont	58	120,635,572
Virginia	280	139,148,698
Washington	207	157,450,428
West Virginia	782	348,423,129
Wisconsin	95	23,033,847

Total 20,423 \$22,275,104,143
Capital, surplus and undivided